

Minutes of the Board of Directors
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Mr. Scroggins described a two-phase work schedule that would result in various recommendations and a valuation range for the Company. The results of Chanin's analysis would be presented at a meeting of the Board of Directors held during July 2000. He added that they had begun receiving the information necessary for their due diligence and that the data received would be used to prepare their ultimate valuation of the Company and analysis of its future debt capacity. The discussion continued with a summary of the methods that Chanin would employ to derive a "bottoms up" valuation for the Company.

The Board was invited to ask questions regarding the analysis that Chanin would be undertaking. A discussion ensued regarding the values of comparable companies in the industry. Mr. Crowley added that Company management would be seeking the advice of its financial and legal advisors throughout the process. To that end, David Friedman, Esq. was invited to discuss various matters regarding possible restructuring alternatives.

A privileged and confidential discussion followed regarding the various items that may impact the valuation of the Company, including the matter pending in tax court between the Company and the Internal Revenue Service. It was explained that this and other possible contingencies would be factored into the analysis of any restructuring alternatives.

The discussion then turned to certain regulatory requirements affecting the Company such as the application of the Stark II law and the ongoing availability of the public company exception under the Stark II law. It was reported that management had worked with its legal counsel at Reed Smith Shaw & McClay to determine what types of equity would be required to meet the public company exception. A discussion ensued regarding the legal opinion that had been provided by Reed Smith Shaw & McClay, a copy of which was distributed to the Board prior to the meeting. Various information was discussed regarding how much debt would have to be restructured to equity in order to satisfy the public company exception of Stark II, assuming various amounts of proceeds were achieved through the sale of the CPS business. This presentation also considered what amounts of equity would be available at the end of the year 2001 so that additional restructuring or equity raising activities would not immediately be required for ongoing compliance with Stark II. Various alternatives were discussed regarding the amount of debt that would be required for a conversion.

OTHER BUSINESS

In a privileged and confidential discussion, Mr. Marabito described settlement discussions he and the Company's attorneys had with representatives of Price Waterhouse regarding the lawsuit presently pending between the Company and Price Waterhouse. These representatives included members of Price Waterhouse's in-house legal department. The Board was apprised of the discussions that transpired, including a description of how Price Waterhouse views the case and what settlement prospects were available. The Board discussed various strategies for pursuing an appropriate, cost effective outcome. The discussion included

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consideration of other counsel, such as a contingency attorney, that could pursue the case in a cost effective and efficient manner on behalf of the Company. The Board directed Mr. Marabito to pursue the case in such manner and provide subsequent progress reports.

Next, Mr. Marabito provided a description of the settlement agreement with Aetna U.S. Healthcare, Inc., a copy of which was distributed to the Board of Directors. Members of the Board of Directors were invited to ask questions about the agreement. Upon a motion duly made and seconded, the Board unanimously resolved to accept, confirm and adopt the settlement agreement as presented.

STOCK OPTION AWARDS

The Board next considered Mr. Crowley's request to approve additional stock option grants to certain members of the Company's senior management team. After review and consideration of the recommendations set forth on Exhibit A attached hereto, and upon a motion duly made and seconded, the Board unanimously approved the following resolution:

WHEREAS, the Company maintains the 1994 Coram Healthcare Corporation Stock Option/Stock Issuance Plan, as amended (the "Option Plan"), for the purpose, among others, of providing management and the Board of Directors with a compensation tool designed to align the interests of Company officers, employees and certain others with the interests of the Company and its stockholders;

WHEREAS, the Chairman of the Board, Chief Executive Officer and President has submitted a recommendation to the Compensation Committee of this Board of Directors that provides for the grant of options to purchase shares of the Company's \$.001 par value common stock (the "Common Stock") pursuant to the Option Plan to certain persons whose names are set forth on the list attached hereto as Exhibit A; and

WHEREAS, the Compensation Committee has accepted the recommendation of the Company's Chairman, Chief Executive Officer and President and has approved the grant of such options to the persons listed on Exhibit A under the terms and conditions described on Exhibit A (the "Recommended Options");

NOW, THEREFORE, BE IT RESOLVED, that the issuance of all Recommended Options to purchase shares of Company Common Stock under the Option Plan that are listed on Exhibit A hereto is hereby authorized, ratified, confirmed and adopted; and

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FURTHER RESOLVED, that the Chairman, Chief Executive Officer and President, any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") is each hereby authorized, empowered and directed to make, execute and deliver on behalf of the Company all stock option agreements and all other agreements, documents or certificates deemed necessary, appropriate or expedient to effect the issuance of the Recommended Options; and

FURTHER RESOLVED, that each of the Authorized Officers of the Company is hereby authorized, empowered and directed, for and on behalf of the Company, to take all such other actions and execute all such other documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of the foregoing resolutions.

AMENDMENT TO DYNAMIC HEALTHCARE SOLUTIONS, LLC ENGAGEMENT

Next the Board discussed a proposal made regarding modifications to the engagement of the health care consulting firm owned by Mr. Crowley, Dynamic Healthcare Solutions, LLC. The Board discussed the reasons for such modifications and a discussion ensued regarding the role that Dynamic Healthcare Solutions, LLC plays in the day-to-day operations of the Company. Thereafter, upon a motion duly made and seconded, the Board unanimously approved the following resolution:

WHEREAS, on December 21, 1999, this Board of Directors adopted resolutions approving the Company's engagement of Dynamic Healthcare Solutions, L.L.C. ("Dynamic Healthcare"), a health care consulting firm owned by the Company's Chairman, Chief Executive Officer and President;

WHEREAS, the Company has been utilizing the services of Dynamic Healthcare in accordance with such terms and Dynamic Healthcare has been providing services and resources to the Company in a manner consistent with the Employment Agreement between the Company and its Chairman, Chief Executive Officer and President;

WHEREAS, certain changes to the terms of the Dynamic Healthcare relationship have been proposed due to the higher than anticipated levels of activity and demands placed by the Company on the consultants and resources provided by Dynamic Healthcare under the engagement;

WHEREAS, the proposed changes include increases to the daily rates charged for the services of certain consultants rendering services to the Company and include the reimbursement of certain direct costs reasonably incurred by Dynamic Healthcare's Sacramento, California office in connection with the

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performance of consulting services for the Company, and such changes are outlined on Exhibit B hereto; and

WHEREAS, this Board desires to continue the relationship with Dynamic Healthcare and maintain access to the services of its consultants at the proposed rates described herein;

NOW, THEREFORE, BE IT RESOLVED, that the ongoing engagement of Dynamic Healthcare on the terms outlined on Exhibit B hereto, is hereby approved, adopted and confirmed;

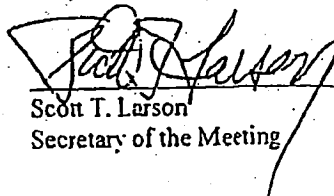
FURTHER RESOLVED, that any Senior Vice President or the Secretary (each an "Authorized Officer") is hereby authorized, empowered and directed, for and on behalf of the Company, to take all such other actions and execute all such documents, certificates and agreements, as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above; and

FURTHER RESOLVED, that the Chairman of the Board, Chief Executive Officer and President, the Executive Vice President and each Authorized Officer is hereby authorized, empowered and directed, for and on behalf of the Company, to take all such other actions and execute all such documents, certificates and agreements, as may be necessary, appropriate or expedient to carry out the intent of any resolutions adopted or actions at this meeting of the Board of Directors.

Finally, the Board discussed a date for its next meeting. It was determined that the next meeting would be held in New York on July 12, 2000, beginning at 11:00 a.m. EDT.

There being no further business, the meeting was adjourned at 10:15 a.m. MDT.

Respectfully submitted,



Scott T. Larson
Secretary of the Meeting

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EXHIBIT A
Board of Director's
Compensation Committee

Stock Option Award Recommendation

On February 1, 2000 the Board of Director's approved stock option grants to several members of Senior Management. All options that were available to grant were distributed at that time. On March 31, 2000 an additional 349,000 will become available for redistribution. I am asking the Compensation Committee to approve grants to the following additional members of Senior Management. I am not requesting redistribution of the total amount at this time as the reserve be for potential new hires at the executive level. Also, it is requested that the committee approve for purposes of this grant, the acceleration of the vesting schedule to 1/3, 1/3, 1/3 at the end of each of the three anniversaries of the grant. The Recommended list and options are as follows:

<u>Awardee</u>	<u>Title</u>	<u>Options</u>
Dom Meffe	President, CPS	40,000
Kate Douglass	Vice President, Clinical Services	40,000
Dave Evans	Vice President, Field Finance	40,000
Perry Bernocchi	Senior Vice President, Operations	40,000
Ron Mills	Consultant	40,000
Dan Smithson	Consultant	40,000
Gail Carton	Acting President, CTI, Network Inc	25,000

Total Requested

265,000

Sincerely,



Daniel D. Crowley
Chairman, CEO and President

Approved:

Peter Smith

Date

Stephen Feinberg

Date

COR-EQTY 0014749

EXHIBIT B

PROPOSED TERMS OF ENGAGEMENT
OF DYNAMIC HEALTHCARE SOLUTIONS, LLC

<u>Name of Professional</u>	<u>Present Daily Rate</u>	<u>Proposed Daily Rate</u>
Kurt Davis	\$ 500.00	\$ 600.00
Ron Mills	1,000.00	1,250.00
Dan Smithson	750.00	750.00

The Company shall reimburse Dynamic Healthcare for the reasonable out of pocket expenses incurred by each such person in accordance with the applicable policies and procedures of the Company.

The Company shall also reimburse Dynamic Healthcare on a monthly basis for the reasonable amount of the direct costs incurred by Dynamic Healthcare's Sacramento, California office in providing administrative and professional support in connection with the consulting services and other resources furnished to the Company.

COR-EQTY 0014750

RICHARD F. LEVY
(312) 715-4000
levyr@althelmer.com

LAW OFFICES
**ALTHEIMER
& GRAY**

10 SOUTH WACKER DRIVE
CHICAGO, ILLINOIS 60606-7482
TEL: (312) 715-4000
FAX: (312) 715-4800

June 1, 2000

Daniel D. Crowley
Chairman and Chief Executive Officer
Coram Healthcare Corp
1125 Seventeenth Street
Suite 2100
Denver, Colorado 80202

Dear Mr. Crowley:

This firm represents Richard Haydon, who is the beneficial owner of a significant number of shares of Coram Healthcare Corp. ("Coram" or the "Company").

We note that the Company's most recent Annual Report (SEC Form 10-K) states that "Coram is currently in discussions with the holders of the Series A and Series B Notes regarding additional restructuring [of those Notes]. Such restructuring would likely include a conversion of a material portion of this debt into some form and amount of equity." However, management's discussion and analysis does not reveal that one of the members of the Board of Directors, Mr. Stanley A. Feinberg, who is also the chairman of the Compensation Committee that recently approved your new employment contract, is directly or indirectly a holder of such Notes.

In the event that you and the Board persist in efforts to convert the Notes into equity – which would almost surely dilute the interests of the existing shareholders such as Mr. Haydon – please be advised that we will scrutinize any such transaction carefully. We remind you that the fiduciary duties of the Board under Delaware law preclude it from approving any transaction where any member of the Board has an interest except in certain limited circumstances. We will seek redress for any violation of those fiduciary duties that causes harm to the shareholders of the Company.

Yours truly,


Richard F. Levy

RFL:tjl

cc: Mr. Richard Haydon

Levy 3
DEP. EXH. #

Date: 3/22/07 *AD*

EXHIBIT

EC-75

CHICAGO WASHINGTON, D.C. WARSAW PRAGUE
KYIV BRATISLAVA ISTANBUL SHANGHAI BUCHAREST LONDON

(803031.1)

**MINUTES OF A TELEPHONIC MEETING
OF THE BOARD OF DIRECTORS OF
CORAM HEALTHCARE CORPORATION**

June 7, 2000

A telephonic meeting of the Board of Directors of Coram Healthcare Corporation (the "Company") was called to order at approximately 1:05 p.m. MDT. Participating in the meeting were the following Directors: Daniel D. Crowley, Chairman of the Board, Chief Executive Officer and President; Donald J. Anarai; William J. Casey; Stephen A. Feinberg; and Sandra R. Smoley. L. Peter Smith was absent. Allen J. Marabito, Executive Vice President; Scott R. Danitz, Senior Vice President, Finance and Chief Accounting Officer; Vito Ponzio Jr., Senior Vice President, Human Resources; John T. McIntyre, Vice President, Treasury; Gerald Reynolds, Vice President, Controller; Rodney Wright, Vice President, Reimbursement and Scott T. Larson, Senior Vice President, General Counsel and Secretary, also participated in the meeting. Also participating in the meeting were Fred Leech of Reed Smith Shavv & McClay LLP, David Friedman of Kasowitz, Benson, Torres & Friedman LLP and Christina Morrison of Deutsche Bank Alex. Brown. Mr. Crowley acted as Chairman of the meeting and Mr. Larson kept the minutes.

The primary item of business was a review of the terms of the Asset Purchase Agreement and the related Marketing Services and Transition Services Agreements relating to the proposed sale of the Company's Coram Prescription Services business ("CPS") to two (2) newly formed affiliates of GTCR Golder Rauner LLC. Mr. Leech was invited to provide a summary of the principal terms of the proposed transaction. Mr. Leech then proceeded to describe, in a privileged and confidential discussion, the terms of the transaction as set forth in the Executive Summary which he had provided for the Board of Directors. Mr. Leech explained that the Asset Purchase Agreement included representations and warranties that were typical of a transaction of this nature and were fair to both sides. He also explained that the agreement included indemnification provisions and described the sizes of the related baskets and caps on the indemnification obligations.

The Board asked questions regarding, among other things, the liabilities that would be assumed by the buyers and what liabilities would be excluded and retained by the Company. The Board asked questions of management, Mr. Leech, Mr. Friedman and Ms. Morrison of Deutsche Bank Alex. Brown. The Board discussed the role of the defined term "Excluded Liabilities" and Ms. Morrison stated that the buyers would not be likely to accept any cap on the amount of indemnification that would be associated with any of "Excluded Liabilities."

The discussion then turned to the Marketing Services Agreement and its terms. The obligations and benefits of the Marketing Services Agreement were also presented. Copies of certificates executed by certain Company officers were discussed. Those certificates assessed the

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Company's ability to perform its obligations under the Marketing Services Agreement. Copies of such certificates were distributed to the members of the Board of Directors prior to the meeting.

The discussion then turned to the closing conditions contained in the Asset Purchase Agreement. This included the consents to assignment that would be required from customers of the CPS business, consents related to the landlords and the consents of the Company's lenders. The consents of the Company's lenders, it was explained, would be required on or before June 30, 2000.

Mr. Leech then outlined the terms of the non-compete provisions of the Asset Purchase Agreement and offered that they were customary for transactions of this nature.

The presentation then described and discussed the Company's obligations under the Transition Services Agreement. It was explained that these services would be provided during the time that CPS begins to perform such tasks on its own and contemplates that the Company would be paid hourly rates for the services being provided.

Next, the terms of the retention and success fees that had previously been offered to members of CPS management were discussed. It was reported that those Company obligations would be rescinded contemporaneously with the consummation of the transaction.

Next, the liquidated damages provision included in the Asset Purchase Agreement was discussed. The Board members discussed various alternatives that had been used in other transactions with which they had been involved. Ms. Morrison reported that Deutsche Bank Alex. Brown had the experience that fees in the range of 2%-3% of the purchase price were standard for transactions of this nature. The Board then discussed the liquidated damages provision. The Board discussed with those participating in the meeting various alternatives for promoting certainty of closure while preventing the buyers from renegotiating the price prior to closing. After discussion, the Board directed management to present to the buyers other alternatives for the liquidated damages. Specifically, management was directed to either remove the liquidated damages provision altogether or to make it reciprocal.

Thereafter, Deutsche Bank Alex. Brown and transaction counsel from Reed Smith Shaw & McClay left the call.

Mr. Danitz was then invited to review the gain calculation for the CPS transaction that had been distributed to the Board prior to the meeting. A summary of CPS's recent financial performance and the calculation of the estimated cash proceeds were presented to the Board. The Board discussed the gain calculations and application of the CPS cash proceeds. Management responded to the Board's questions regarding the discussion.

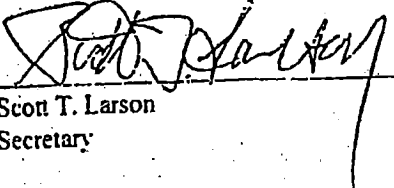
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In other business, Mr. Crowley apprised the Board of a possible incident at certain branches in the State of Florida. He reported that surveyors from the Joint Commission on Accreditation of Health Care Organizations had identified certain potential deficiencies in the operations of the Company's branches located in the State of Florida. Management reported that it would monitor the situation and take appropriate action as necessary.

There being no further business, the meeting was adjourned at approximately 2:40 p.m. MDT.

Respectfully submitted,



Scott T. Larson
Secretary

COR-EQTY 0014754

**MINUTES OF A TELEPHONIC MEETING
OF THE BOARD OF DIRECTORS OF
CORAM HEALTHCARE CORPORATION.**

June 9, 2000

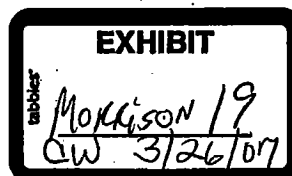
A telephonic meeting of the Board of Directors of Coram Healthcare Corporation (the "Company") was called to order at approximately 12:35 p.m. MDT. Participating in the meeting were the following Directors: Daniel D. Crowley, Chairman of the Board, Chief Executive Officer and President; Donald J. Amaral; William J. Casey, and Sandra R. Smoley. Stephen A. Feinberg and L. Peter Smith were absent. Allen J. Marabito, Executive Vice President; Scott R. Danitz, Senior Vice President, Finance and Chief Accounting Officer; John T. McIntyre, Vice President, Treasury; Gerald Reynolds, Vice President, Controller; and Scott T. Larson, Senior Vice President, General Counsel and Secretary, also participated in the meeting. Also participating in the meeting were Fred Leech of Reed Smith Shaw & McClellan LLP; David Rosner of Kasowitz, Benson, Torres & Friedman LLP and Christina Morrison and Ott Hughes of Deutsche Banc Alex. Brown. Mr. Crowley acted as Chairman of the meeting and Mr. Larson kept the minutes.

The meeting began with a summary of the events that had transpired during the auction of the Company's Coram Prescription Services business ("CPS") and the ultimate negotiation of the sale of such business to two (2) newly formed affiliates of GTCR Golden Runner LLC. Ms. Morrison was then invited to discuss in greater detail the terms of the engagement of Deutsche Banc Alex. Brown and the auction process that they were managing for the Company. Ms. Morrison reviewed the parties that received information regarding the business, those that submitted bids and how the buyer entered the process.

Ms. Morrison then outlined the financial analysis that Deutsche Banc Alex. Brown had undertaken in connection with their fairness opinion analysis. She explained that the full analysis was set forth in the fairness opinion that would be delivered to the Company immediately following this meeting. She offered that the legal documents that had been negotiated among the parties were typical and reasonable and that the agreements included many standard provisions, including a liquidated damages provision that included an amount that was within the range of amounts used in other similar transactions. She explained that the fairness analysis performed demonstrated that the value of the CPS business yielded a range of fair prices between \$24.6 and \$53.6 million. Accordingly, Deutsche Bank Alex. Brown was of the opinion that the transaction was fair from a financial point of view to the Company. She added that the Fairness Opinion would be transmitted to the Company following the meeting and would be made available to all members of the Board of Directors.

Mr. Crowley opened the meeting for questions from the Board of Directors to Ms. Morrison and the other professionals attending the meeting. After discussion, a motion was then

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made to accept and approve the transaction and the related resolutions approving the Asset Purchase Agreement and the related Marketing Services and Transition Services Agreements in the forms presented.

The discussion on the motion continued with a review of the gain calculation and estimated cash proceeds that were presented at the June 7, 2000, meeting of the Board. It was explained that substantially all the estimated net cash proceeds would be applied to the Company's debt.

Mr. Leech was invited to describe the negotiations that had occurred following the June 7, 2000 meeting. Mr. Leech described the discussions that occurred regarding the liquidated damages provisions, copies of which were distributed to the Board prior to the meeting. Mr. Leech stated that the buyer had insisted upon adding a provision that would prevent the Company from "shopping" the deal during the pendency of the Asset Purchase Agreement as a condition to accepting the liquidated damages proposal made by the Company. Ms. Morrison then offered that the provisions that were presented were standard for this type of transaction. Mr. Rosner added that he agreed with the assessment of Ms. Morrison.

It was reported that the Asset Purchase Agreement and the revised provisions thereof were transmitted to the General Counsel of Cerberus Financial Partners for their review. It was further reported that the Cerberus General Counsel stated that he did not find any significant omissions in the documents and that the documents reflected standard agreement provisions for transactions of this nature. Furthermore, Mr. Crowley reported that Mr. Feinberg had provided him his written approval of the terms of the transaction as now modified and that Mr. Feinberg stated satisfaction with the terms of the transaction as presented at this time.

There being no further questions or discussion of such matters and the questions of the Board having been responded to, the motion to approve the transactions and the resolutions set forth below was seconded and unanimously approved:

WHEREAS, Coram Healthcare Corporation (the "Company"), through its indirect wholly owned subsidiary, Curaflex Health Services, Inc., a Delaware corporation ("Curaflex"), operates a specialty mail order pharmacy and pharmacy benefit management services business known as "Coram Prescription Services" (the "Business");

WHEREAS, the Company, as the ultimate parent Company of Curaflex has determined it to be in the best interests of Curaflex to sell substantially all of the assets of Curaflex related to the Business (the "Transaction");

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WHEREAS, in connection with the Transaction, the Company and Curaflex have, upon receipt of advice from their financial advisors with Deutsche Bank Alex. Brown, determined it to be in the best interests of the Company and Curaflex to enter into an Asset Purchase Agreement, by and between Curaflex, the Company, as Seller Guarantor, CuraScript Pharmacy, Inc., CuraScript PBM Services, Inc. and GTCR Fund VI, L.P., as Buyers Guarantor (the "Purchase Agreement"), together with all of the Exhibits to the Purchase Agreement (collectively, the "Purchase Documents"); and

WHEREAS, in connection with the Transaction, the directors of the Company have determined it to be in the best interests of Curaflex and the Company to guaranty the full performance and compliance of Curaflex's obligations under the Purchase Agreement, as well as the Transition Services Agreement and the Marketing Services Agreement contemplated by the Purchase Agreement, pursuant to Section 11.9(a) of the Purchase Agreement (the "Guaranty");

NOW, THEREFORE, BE IT RESOLVED, that the Guaranty be, and it hereby is, in all respects approved;

RESOLVED FURTHER, that the form and content of the Guaranty set forth in Section 11.9(a) of the Purchase Agreement be, and it hereby is, in all respects approved;

RESOLVED FURTHER, that the Chairman of the Board, Chief Executive Officer and President, the Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") be, and each hereby is, authorized and directed for and on behalf of the Company to make, execute and deliver (and, if desired, under the corporate seal of the Company attested to by its Secretary) the Purchase Agreement, substantially in the form presented herewith, together with such changes therein and additions thereto as such Authorized Officer shall approve, the execution and delivery thereof by such Authorized Officer to constitute conclusive evidence of such approval;

RESOLVED FURTHER, that the Authorized Officers be, and each hereby is, authorized and directed for and on behalf of the Company to take any and all further action and to execute and deliver any and all other agreements, instruments, certificates and documents for and on behalf of the Company as in his or her opinion may be necessary or desirable to carry out the Guaranty and the Transaction Documents; and

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RESOLVED FURTHER, that any and all actions heretofore and hereafter taken by the Authorized Officers in connection with the Guaranty and the Transaction Documents be, and they hereby are, ratified and in all respects approved.

Approval of the Transition Services Agreement and the Marketing Services Agreement in connection with the Sale of Substantially All of the Assets of the Business

WHEREAS, in connection with the Transaction, the directors of the Company have determined it to be in the best interests of the Company, Curaflex, and Coram, Inc. ("CI") to enter into, upon the closing of the Transaction as contemplated by the Purchase Agreement, (a) a Transition Services Agreement, by and between the Company and CI, on the one hand, and CuraScript Pharmacy, Inc. and CuraScript PBM, Inc., on the other hand (the "Transition Services Agreement"), and (b) a Marketing Services Agreement, by and between the Company and CI, on the one hand, and CuraScript Pharmacy, Inc. and CuraScript PBM, Inc. on the other hand (the "Marketing Services Agreement");

NOW, THEREFORE, BE IT RESOLVED FURTHER, that the form and content of the Transition Services Agreement and the Marketing Services Agreement presented at the June 7, 2000, meeting of the Company's Board of Directors, and each hereby is, in all respects approved;

RESOLVED FURTHER, that the Authorized Officers be, and each hereby is, authorized and directed for and on behalf of the Company to execute and deliver (and, if desired, under the corporate seal of the Company attested to by its Secretary) the Transition Services Agreement and the Marketing Services Agreement, substantially in the forms heretofore approved, with such changes therein and additions thereto as such Authorized Officer shall approve, the execution and delivery thereof by such Authorized Officer to constitute conclusive evidence of such approval;

RESOLVED FURTHER, that the Authorized Officers be, and each hereby is, authorized and directed for and on behalf of the Company to take any and all further action and to execute and deliver any and all other agreements, instruments, certificates and documents for and on behalf of the Company as in his or her opinion may be necessary or desirable to carry out the Transition Services Agreement and the Marketing Services Agreement; and

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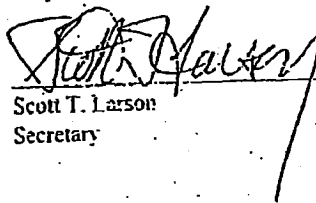
RESOLVED FURTHER, that any and all actions heretofore and hereafter taken by the Authorized Officers in connection with the Transition Services and the Marketing Services Agreement be, and they hereby are, ratified and in all respects approved.

FURTHER RESOLVED, that each Authorized Officer is hereby authorized, empowered and directed, for and on behalf of the Company, to take all such other actions and execute all such documents, certificates and agreements, as may be necessary, appropriate or expedient to carry out the intent of any resolutions adopted or actions taken at this meeting of the Board of Directors.

There being no further business, the meeting was adjourned at approximately 12:50 p.m.

MDT.

Respectfully submitted,



Scott T. Larson
Secretary

COR-EQTY 0014760

Strictly private & confidential

Project Caddy

Presentation to the Board

June 9, 2000

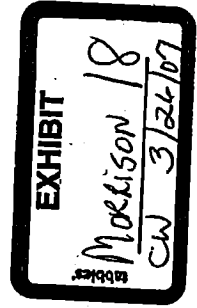
Deutsche Banc Alex. Brown identifies the US investment banking activities of DB Alex. Brown LLC (formerly BT Alex. Brown Incorporated) and Deutsche Bank Securities Inc., which are indirect subsidiaries of Deutsche Bank AG.

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Deutsche Banc Alex. Brown



Deutsche Bank



These materials were prepared by Deutsche Banc Alex. Brown Incorporated ("Deutsche Banc Alex. Brown") based on publicly available information and certain information provided by Caddy Management ("Caddy" or the "Company"), all without independent verification by Deutsche Banc Alex. Brown or any affiliate thereof. All financial data including forecasts are provided by Caddy without any recommendation or warranty in connection therewith by Deutsche Banc Alex. Brown or any affiliate thereof or any other party. No representation or warranty (express or implied) is made by Deutsche Banc Alex. Brown as to the accuracy or completeness of the information herein. The materials are intended solely for use and benefit of the Board of Directors of Caddy. They are not for publication.

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Deutsche Banc Alex, Brown



Deutsche Bank

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Deutsche Bank Alex. Brown



Deutsche Bank

deutschebank.com

Transaction background and overview

Section 1

Transaction background and overview

COR.-EQTY0000229

Deutsche Banc Alex. Brown



Deutsche Bank

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Transaction background and overview

Transaction history

Rationale

Caddy was originally put on the market to:

- Enable Parent focus on its core businesses
- Help strengthen Parent's balance sheet
- Avoid the losses and cash needs necessary to grow Caddy appropriately

Key events

Date engaged: September 16, 1999

Date of public announcement: September 24, 1999

Total parties contacted/inquiries: 45.

Total confidentiality agreements sent: 24

Total preliminary bids received: 8

Final negotiation: 1

COR.-EQTY0000230

Deutsche Banc Alex. Brown



Deutsche Bank

Key terms of the transaction

Structure

- Two entities to acquire the two businesses of Caddy
- Specialty Pharmacy Services ("SPS") (Mail Order Business)
- Pharmacy Benefit Management ("PBM")

Price

\$41,300,000

Purchase price adjustments

☐ None

Consideration

■ **Cash**

Financing

- **GTCR (equity and debt guarantee)**

Reps, warranties and indemnification

Standard

Standard

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Deutsche Banc Alex. Brown



Deutsche Bank

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Transaction overview

	Relevant financials	Implied multiples ⁽¹⁾	Selected public companies						
			PBM			Specialty distribution			
			Median	Range	Median	Range			
LTM revenues	\$96,671	0.4x	0.4x	-	0.7x	0.5x	0.1x	-	2.3x
LTM EBITDA	1,669	24.7	10.9	-	12.2	10.7	6.1	-	30.8
LTM EBIT	1,257	32.9	13.7	-	15.0	16.2	9.1	-	32.0
LTM net income	769	53.7	22.8	-	28.1	26.1	9.5	-	50.0
2000E net income	2,469	16.7	17.8	-	23.1	14.1	7.9	-	37.5
2001E net income	3,517	11.7	14.5	-	18.1	10.6	6.2	-	28.4

	Relevant financials	Implied multiples ⁽¹⁾	Selected transactions					
			PBM		Specialty distribution			
			Median	Range	Median	Range		
LTM revenues	\$96.671	0.4x	0.6x	0.2x - 7.2x	0.8x	0.2x - 3.9x		
LTM EBITDA	1,669	24.7	11.3	6.5 - 17.5	15.7	8.9 - 26.0		
LTM EBIT	1,257	32.9	15.5	8.5 - 21.6	21.4	11.1 - 30.9		
LTM net income	769	53.7	22.9	15.4 - 53.8	34.0	18.6 - 62.7		
Forward net income	2,469	16.7	14.5	12.7 - 16.2	24.0	11.9 - 32.4		

(1) Based on proceeds to Parent. Assumes Caddy is sold debt-free.

(1) Based on proceeds to Parent. Assumes Caddy is sold debt-free.

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Overview of Caddy

Section 2

Section 2

Overview of Caddy

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2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-2645-2646-2647-2648-2649-2650-2651-2652-2653-2654-2655-2656-2657-2658-2659-2660-2661-2662-2663-2664-2665-2666-2667-2668-2669-2670-2671-2672-2673-2674-2675-2676-2677-2678-2679-2680-2681-2682-2683-2684-2685-2686-2687-2688-2689-2690-2691-2692-2693-2694-2695-2696-2697-2698-2699-2700-2701-2702-2703-2704-2705-2706-2707-2708-2709-2710-2711-2712-2713-2714-2715-2716-2717-2718-2719-2720-2721-2722-2723-2724-2725-2726-2727-2728-2729-2730-2731-2732-2733-2734-2735-2736-2737-2738-2739-2740-2741-2742-2743-2744-2745-2746-2747-2748-2749-2750-2751-2752-2753-2754-2755-2756-2757-2758-2759-2760-2761-2762-2763-2764-2765-2766-2767-2768-2769-2770-2771-2772-2773-2774-2775-2776-2777-2778-2779-2780-2781-2782-2783-2784-2785-2786-2787-2788-2789-2790-2791-2792-2793-2794-2795-2796-2797-2798-2799-2800-2801-2802-2803-2804-2805-2806-2807-2808-2809-2810-2811-2812-2813-2814-2815-2816-2817-2818-2819-2820-2821-2822-2823-2824-2825-2826-2827-2828-2829-2830-2831-2832-2833-2834-2835

History

Caddy is a division of CHS, an indirect, wholly-owned subsidiary of Parent, a public company whose common stock trades on the OTC

- Caddy was formed by combining Medical Management Services of Omaha, Inc. ("MMS") and Nebraska Prescription Services, Inc. ("NPS")
 - MMS developed retail pharmacy software, provided electronic clearinghouse services to retail pharmacies, and offered traditional PBM services to health plans
 - NPS provided traditional mail-order pharmacy services
- In 1993, CHS acquired the assets of MMS
- In January of 1994, CHS/MMS entered the SPS business focusing on high-cost, chronic health conditions, such as diabetes, growth deficiencies and cancer
- In July of 1994, Caddy was established through the combination of CHS/MMS, HealthInfusion, Inc., Medisys, Inc. and T² Medical, Inc.
- In 1997, Parent hired a new management team with extensive experience in PBM and SPS to grow Caddy

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Overview of Caddy

Business lines

Caddy is a provider of a broad range of health care products and services to individuals with chronic health conditions, and also provides comprehensive patient care management

SPS
(Mail order)

Distributes pharmaceuticals and related medical supplies primarily for five chronic conditions/treatments:

- HIV/AIDS
- Injectables
- Oncology
- Transplants
- Growth deficiency

i E-Commerce
(New, development on hold)

Integrated on-line site to complement and extend business:

- Content - focus on currently served disease states
- Commerce - 24/7 shopping and prescription processing
- Community - disease specific discussion groups and links

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Targets underserved PBM markets with patient populations of ten thousand or less including:

- HMO's
- Health insurers
- Third-party administrators
- Employers
- Union benefit plans

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Overview of Caddy

Section 2

Summary historical and projected financial results

	Historical ⁽¹⁾					Projected ⁽²⁾			
	1997	1998	1999	LTM 3/00	2000	2001	2002	2003	2004
Net revenue	\$30,440	\$50,453	\$89,077	96,571	\$110,245	\$135,341	\$165,600	\$201,000	\$244,100
% growth	-	65.8%	76.5%	-	23.8%	23.7%	21.5%	21.4%	21.4%
Total cost of service	28,431	44,688	77,313	83,756	94,739	118,916	141,600	171,800	208,500
% of revenue	93.4%	88.6%	86.8%	86.6%	85.9%	87.2%	85.5%	85.5%	85.4%
Gross profit	2,009	5,775	11,765	12,915	15,506	19,425	24,000	29,200	35,600
Gross margin	6.6%	11.4%	13.2%	13.4%	14.1%	12.8%	14.5%	14.5%	14.6%
EBITDA ⁽³⁾	(2,729)	(732)	663	1,669	4,598	6,315	8,900	11,700	15,200
% of revenue	(9.0%)	(1.5%)	0.8%	1.7%	4.2%	4.6%	5.4%	5.8%	6.2%
EBIT ⁽⁴⁾	(2,861)	(852)	336	1,257	4,048	5,765	8,350	11,150	14,650
% of revenue	(9.4%)	(1.7%)	0.4%	1.3%	3.7%	4.2%	5.0%	5.5%	6.0%
Net earnings/(loss) ⁽⁴⁾	(2,861)	(852)	207	769	2,469	3,517	5,094	6,802	8,937
% of revenue	(9.4%)	(1.7%)	0.2%	0.8%	2.2%	2.6%	3.1%	3.4%	3.7%

(1) Audited financials for Caddy as a division.

(2) Caddy as a stand-alone company.

(3) Adds back one-time charges relating primarily to relocation, uncollectible allocated to Rnet and start-up expenses.

(4) Assumes fully-taxed at 35%.

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Quarterly results

	03/1999	03/2000	Quarterly growth rate
Net revenue	\$18,662	\$26,256	40.7%
Total cost of service	16,295	22,739	39.5
% of revenue	87.3%	86.6%	
Gross profit	2,366	3,517	48.6
Gross margin	12.7%	13.4%	
EBITDA	199	1,185	495.5
% of revenue	1.1%	4.5%	
EBIT	147	1,088	626.5
% of revenue	0.8%	4.1%	
Net earnings/(loss)	90	851	623.3
% of revenue	0.5%	2.5%	

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Section 3

Overview of bids

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Overview of bids

Section 3

Potential acquirors

The initial list of
45 potential
purchasers has been
reduced to one party

Contacted	CA sent	Offering memo sent	Non-binding bid submitted	Further due diligence performed	Bid under consideration
GTGR Accredo Health, Inc. Advance Paradigm, Inc. Advent International American Prescription Providers Atlantic Medical Bain Capital Banc One Equity Capital Beecken Petty & Co. Bergen Brunswig Corporation Bessemer Partners & Co. Bristol-Meyers Squibb Company Broe Companies (The) Brown McMillan & Co. Bruckman, Rosser, Sherrill & Co. CareMark RX Inc. Carlyle Group (The) Charterhouse Group CVS Procure Express Scripts, Inc. Fairview Hospitals First Health Group Fox Paine & Co., LLC GamMark Partners, LP Genstar Capital LLC Health Network (The)	GTGR Accredo Health Inc. Advance Paradigm, Inc. Advent International Bain Capital Banc One Equity Capital Beecken Petty & Co. Bessemer Partners Brown McMillan & Co. Bruckmann, Rosser, Sherrill CareMark RX Inc. Charterhouse Group CVS Procure First Health Group Genstar Capital LLC Liberty Partners LinCare Holdings Inc. Madison Dearborn Partners MIM Corporation Parkeo & Co. Ventures, Inc. Priority Healthcare ProVantage Health Services Rencor Inc. Summit Partners	GTGR Bain Capital Banc One Equity Capital Beecken Petty & Co. Bessemer Partners & Co. Brown McMillan & Co. Bruckmann, Rosser, Sherrill CareMark RX Inc. CVS Procure LinCare Holdings Inc. Madison Dearborn Partners MIM Corporation Priority Healthcare ProVantage Rencor Inc. Summit Partners	GTGR Bain Capital Brown McMillan & Co. CareMark Rx Inc. CVS ProCare Priority Healthcare ProVantage Summit Partners	GTGR Bain Capital CVS ProCare Priority Healthcare Summit Partners	

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Potential acquirors (continued)

Contacted	CA sent	Offering memo sent	Non-binding bid submitted	Further due diligence performed	Bid under consideration
	GTCR	GTCR	GTCR	GTCR	GTCR
Henry Schein Inc.					
Huff Allernative Income Fund, L.P.					
Liberty Partners					
Lincate Holdings, Inc.					
Madison Oatroom Partners, Inc.					
MIM Corporation					
Morgan Stanley Dean Witter					
Omnicare					
Patco & Co. Ventures, Inc.					
Priority Healthcare					
PSS World Medical Inc.					
ProVantage Health Services					
Rencor, Inc.					
Richard C. Blum & Associates					
Summit Partners					
Stirling Ventures, Ltd.					
TA Associates					
Thomas Cressey Equity Partners					
Wellgreen's Health Initiatives					
Total	45	24	16	8	5

- GTCR's bid was selected based on a combination of the following factors:
- | | |
|------------------|---------------------------------|
| - price | - timing |
| - contract terms | - ability to consummate quickly |

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